



# Life Insurance

## **Basic Life and AD&D Insurance Benefits**

Westminster College provides each eligible employee Term Life and Accidental Death & Dismemberment insurance equal to 2.5 times your annual salary (to a maximum of \$700,000) at no cost to the employee.

Even though this benefit is automatic, you need to designate a beneficiary in the event of your death. Please complete the beneficiary designation section at the bottom of this form:

[/pdf/human\\_resources/Enrollment-Change Form - Medical, Dental, Vision, Flex, Beneficiary Designation.pdf](/pdf/human_resources/Enrollment-Change Form - Medical, Dental, Vision, Flex, Beneficiary Designation.pdf)

## ***Life Insurance and Income Taxes***

Since Westminster College pays the entire premium for your Basic Life and Accident Insurance, the *value* of any coverage over \$50,000 is considered income by the IRS. When you receive your W-2 form each year, the *value* of this benefit will be included in your taxable earnings. These earnings are called “imputed income” and are taxed just like your regular pay. For example – if you are 35 and your annual salary is \$25,000, your Basic Life Insurance benefit would be \$62,500 or \$12,500 over the \$50,000 limit. The amount by which your annual taxable income would be increased on this \$12,500 would be an additional \$13.50.

You are not taxed on any Voluntary Life or Accident Insurance purchased by you because you pay the premium for that insurance with your regular income which has already been taxed.

### **Supplemental Life and AD&D Insurance**

You may purchase additional term life insurance for you and your dependents. If purchased, these premiums are paid by you through payroll deduction, and are based on your age and whether or not you smoke.

**Supplemental Coverage for You** - You may purchase up to 7 times your annual salary or \$700,000, whichever is less (in \$10,000 increments) in supplemental life insurance coverage for you. A Statement of Health will be required if:

- You elect coverage which exceeds the lesser of 3 times your annual salary or \$250,000
- You apply for coverage after you are initially eligible to enroll

**Supplemental Coverage for your Spouse/Domestic Partner** - You may purchase between \$10,000 and the lesser of 50% of your life insurance benefits or \$250,000 in supplemental life insurance coverage for your spouse in increments of \$10,000. A Statement of Health will be required if:

- Your spouse/Domestic Partner elects coverage of more than \$30,000
- Your spouse/Domestic Partner applies for coverage after initially eligible to enroll

### **Supplemental Coverage for your Dependent Child(ren)**

You may purchase life insurance coverage for your children aged birth to 6 months in the amount of \$250; aged 6 months to 26 years in \$2,500 increments to \$10,000.

Please click here for additional information on the coverage available:

[/pdf/human\\_resources/Life\\_Summary\\_2010.pdf](/pdf/human_resources/Life_Summary_2010.pdf)

If you wish to purchase additional insurance, please see the Human Resources Dept. for an enrollment kit.

### **Important Information can be found here:**

[/pdf/human\\_resources/106654 - Westminster College - Cert6 \(Def of FT Life and DIS 7-1-05\).pdf](/pdf/human_resources/106654 - Westminster College - Cert6 (Def of FT Life and DIS 7-1-05).pdf)

For Flight Instructors:

[http://www.westminstercollege.edu/pdf/human\\_resources/Life%20and%20LTD%20Certificate%20of%20Coverage%20Flight%20Instructors.pdf](http://www.westminstercollege.edu/pdf/human_resources/Life%20and%20LTD%20Certificate%20of%20Coverage%20Flight%20Instructors.pdf)

For all other employees:

[http://www.westminstercollege.edu/pdf/human\\_resources/Life%20and%20LTD%20Certificate%20of%20Coverage.pdf](http://www.westminstercollege.edu/pdf/human_resources/Life%20and%20LTD%20Certificate%20of%20Coverage.pdf)